EXHIBIT 2

AAD9552 10/29/2008 10 47 AM

Form **1040X** (Rev. November 2007)

Department of the Treasury-Internal Revenue Service

Amended U.S. Individual Income Tax Return

▶ See separate instructions.

OMB No. 1545 1074

COPY

This return is for calendar year ▶ 2007 , or fiscal year ended ▶

Please print or type

Your first name and initial: BERNARD L.	Last name: MADOFF	Your social security number: 069-30-9552
If a joint return, spouse's first name and initial: RUTH	Last name: MADOFF	Spouse's social security number: 096-32-2354
Home address (no. and street) or P.O. box if mail is not delivered to your home: 133 EAST 64TH STREET	Apt. no.	Phone number
City, town or post office, state, and ZIP code. If you have a foreign address, see page 3 of the instructions. NEW YORK NY 10021		

A If the address shown above is different from that shown on your last return filed with the IRS, would you like us to change it in our records? ▶ ☐ Yes ☐ No

B Filing status. Be sure to complete this line. Note. You cannot change from joint to separate returns after the due date.

On original return ▶ ☐ Single ☒ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

On this return ▶ ☐ Single ☒ Married filing jointly ☐ Married filing separately ☐ Head of household* ☐ Qualifying widow(er)

* If the qualifying person is a child but not your dependent, see page 3 of the instructions.

Use Part II on the back to explain any changes		A. Original amount or as previously adjusted (see page 3)	B. Net change-amount of increase or (decrease)-explain in Part II	C. Correct amount
Income and Deductions (see instructions)				
1 Adjusted gross income (see page 3)	1	13,261,071	1,635	13,262,706
2 Itemized deductions or standard deduction (see page 4)	2	8,055,157	784	8,055,941
3 Subtract line 2 from line 1	3	5,205,914	851	5,206,765
4 Exemptions. If changing, fill in Parts I and II on the back (see page 4)	4	2,266		2,266
5 Taxable income. Subtract line 4 from line 3	5	5,203,648	851	5,204,499
Tax Liability				
6 Tax (see page 5). Method used in col. C Sch. D	6	1,775,916	229	1,776,145
7 Credits (see page 5)	7	818,780		818,780
8 Subtract line 7 from line 6. Enter the result but not less than zero	8	957,136	229	957,365
9 Other taxes (see page 5)	9	264,432		264,432
10 Total tax. Add lines 8 and 9	10	1,221,568	229	1,221,797
Payments				
11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see page 5	11	28		28
12 Estimated tax payments, including amount applied from prior year's return	12	0		
13 Earned income credit (EIC)	13	0		
14 Additional child tax credit from Form 8812	14	0		
15 Credits: Federal telephone excise tax or from Forms 2439, 4136, 8885, or 8801 (if refundable)	15	0		
16 Amount paid with request for extension of time to file (see page 5)			16	1,900,000
17 Amount of tax paid with original return plus additional tax paid after it was filed			17	
18 Total payments. Add lines 11 through 17 in column C			18	1,900,028

Refund or Amount You Owe

19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS	19	67[illegible],460
20 Subtract line 19 from line 18 (see page 6)	20	1,221,568
21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 6	21	229
22 If line 10, column C, is less than line 20, enter the difference	22	
23 Amount of line 22 you want refunded to you	23	
24 Amount of line 22 you want applied to your estimated tax 24		

Sign Here

Joint return? See page 2. Keep a copy for your records.

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

▶ Your signature Date ▶ Spouse's signature. If a joint return, both must sign. Date

Paid Preparer's Use Only

Preparer's signature ▶ David G. Friehling	Date 10/29/08	Check if self-employed ☐	Preparer's SSN or PTIN P006300[illegible]
Firm's name (or yours if self-employed), address, and ZIP code ▶ Friehling & Horowitz, CPA's P.C. 337 N Main St New City NY 10956			EIN
			Phone no. 845-639-[illegible]501

For Paperwork Reduction Act Notice, see page 7 of instructions. Form **1040X** (Rev. 11-2007)

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BERNARD L. & RUTH MADOFF 069-30-9552

Form 1040X (Rev. 11-2007) Page 2

Part II Exemptions. See Form 1040 or 1040A instructions.

Complete this part only if you are:

- Increasing or decreasing the number of exemptions claimed on line 6d of the return you are amending, or
- Increasing or decreasing the exemption amount for housing individuals displaced by Hurricane Katrina.

		Line	A. Original number of exemptions reported or as previously adjusted	B. Net change	C. Correct number of exemptions
25	Yourself and spouse	25			
	Caution. If someone can claim you as a dependent, you cannot claim an exemption for yourself.				
26	Your dependent children who lived with you	26			
27	Your dependent children who did not live with you due to divorce or separation	27			
28	Other dependents	28			
29	Total number of exemptions. Add lines 25 through 28	29			
30	Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here.	30			
31	If you are claiming an exemption amount for housing individuals displaced by Hurricane Katrina, enter the amount from Form 8914, line 2 for 2005 or line 6 for 2006 (see instructions for line 4). Otherwise enter -0-	31			
32	Add lines 30 and 31. Enter the result here and on line 4	32			

Tax year	Exemption amount	But see the instructions for line 4 on page 3 if the amount on line 1 is over:
2007	$3,400	$117,300
2006	3,300	112,875
2005	3,200	109,475
2004	3,100	107,025

33 Dependents (children and other) not claimed on original (or adjusted) return:

(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) ✔ if qualifying child for child tax credit (see page 6)

No. of children on 33 who:

- lived with you .... ▶
- did not live with you due to divorce or separation (see page 6) ...... ▶

Dependents on 33 not entered above ▶

Part III Explanation of Changes

Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See page 2 of the instructions. Also, check here ▶ ☐

Taxpayer's spouse receive a K-1 from New Jersey MR Imaging aafter the original 1040 was efiled. This accounts for the additional tax due.

Part IV Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.

If you did not previously want $3 to go to the fund but now want to, check here ▶ ☐

If a joint return and your spouse did not previously want $3 to go to the fund but now wants to, check here ▶ ☐

Form **1040X** (Rev. 11-2007)

DAA

JAD9552 10/29/2008 10:47 AM

1040 Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return 2007 (99)

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2007, or other tax year beginning , 2007, ending , 20 OMB No. 1545-0074

Label (See instructions on page 12.) Use the IRS label. Otherwise, please print or type.

Your first name and initial: BERNARD L.	Last name: MADOFF	Your social security number: 069-30-9552
If a joint return, spouse's first name and initial: RUTH	Last name: MADOFF	Spouse's social security number: 096-32-2354
Home address (number and street). If you have a P.O. box, see page 12. 133 EAST 64TH STREET	Apt. no.	▲ You must enter your SSN(s) above. ▲
City, town or post office, state, and ZIP code. If you have a foreign address, see page 12. NEW YORK NY 10021		Checking a box below will not change your tax or refund.

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 12) ▶ [X] You [X] Spouse

Filing Status — Check only one box.

1 [ ] Single
2 [X] Married filing jointly (even if only one had income)
3 [ ] Married filing separately. Enter spouse's SSN above and full name here. ▶
4 [ ] Head of household (with qualifying person). (See page 13.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 [ ] Qualifying widow(er) with dependent child (see page 14)

Exemptions

6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a — Boxes checked on 6a and 6b: 2
b [X] Spouse
c Dependents:

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 15)

If more than four dependents, see page 15.

No. of children on 6c who: • lived with you; • did not live with you due to divorce or separation (see page 16); Dependents on 6c not entered above

d Total number of exemptions claimed — Add numbers on lines above ▶ 2

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a	Taxable interest. Attach Schedule B if required	8a	3,67[illegible],311
b	Tax-exempt interest. Do not include on line 8a	8b 2,566,428	
9a	Ordinary dividends. Attach Schedule B if required	9a	12[illegible],067
b	Qualified dividends (see page 19)	9b 54,960	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	9,42[illegible],238
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ [ ]	13	1,35[illegible],808
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions 15a	b Taxable amount (see page 21) 15b	
16a	Pensions and annuities 16a	b Taxable amount (see page 22) 16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	-1,18[illegible],502
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits 20a	b Taxable amount (see page 24) 20b	
21	Other income. List type and amount (see page 24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	13,39[illegible],922

Adjusted Gross Income

23	Educator expenses (see page 26)	23			
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
25	Health savings account deduction. Attach Form 8889	25			
26	Moving expenses. Attach Form 3903	26			
27	One-half of self-employment tax. Attach Schedule SE	27	132,216		
28	Self-employed SEP, SIMPLE, and qualified plans	28			
29	Self-employed health insurance deduction (see page 26)	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN ▶	31a			
32	IRA deduction (see page 27)	32			
33	Student loan interest deduction (see page 30)	33			
34	Tuition and fees deduction. Attach Form 8917	34			
35	Domestic production activities deduction. Attach Form 8903	35			
36	Add lines 23 through 31a and 32 through 35			36	13[illegible],216
37	Subtract line 36 from line 22. This is your adjusted gross income ▶			37	13,26[illegible],706

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 83. Form 1040 (2007)
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Form 1040 (2007) BERNARD L. & RUTH MADOFF — 069-30-9552 — Page 2

Tax and Credits

38	Amount from line 37 (adjusted gross income)		13,262,706
39a	Check if: [X] You were born before January 2, 1943, [ ] Blind. [X] Spouse was born before January 2, 1943, [ ] Blind. Total boxes checked ▶ 39a	2	
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶ 39b [ ]		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)		8,055,941
41	Subtract line 40 from line 38		5,206,765
42	If line 38 is $117,300 or less, multiply $3,400 by the total number of exemptions claimed on line 6d. If line 38 is over $117,300, see the worksheet on page 33		2,266
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		5,204,499
44	Tax (see page 33). Check if any tax is from: a [ ] Form(s) 8814 b [ ] Form 4972 c [ ] Form(s) 8889		1,677,003
45	Alternative minimum tax (see page 36). Attach Form 6251		99,142
46	Add lines 44 and 45 ▶		1,776,145
47	Credit for child and dependent care expenses. Attach Form 2441		
48	Credit for the elderly or the disabled. Attach Schedule R		
49	Education credits. Attach Form 8863		
50	Residential energy credits. Attach Form 5695		
51	Foreign tax credit. Attach Form 1116 if required	818,780	
52	Child tax credit (see page 39). Attach Form 8901 if required		
53	Retirement savings contributions credit. Attach Form 8880		
54	Credits from: a [ ] Form 8396 b [ ] Form 8859 c [ ] Form 8839		
55	Other credits: a [ ] Form 3800 b [ ] Form 8801 c [ ] Form ____		
56	Add lines 47 through 55. These are your total credits		818,780
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- ▶		957,365

Standard Deduction for — • People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 31. • All others: Single or Married filing separately, $5,350; Married filing jointly or Qualifying widow(er), $10,700; Head of household, $7,850

Other Taxes

58	Self-employment tax. Attach Schedule SE		264,432
59	Unreported social security and Medicare tax from: a [ ] Form 4137 b [ ] Form 8919		
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		
61	Advance earned income credit payments from Form(s) W-2, box 9		
62	Household employment taxes. Attach Schedule H		
63	Add lines 57 through 62. This is your total tax ▶		1,221,797

Payments

64	Federal income tax withheld from Forms W-2 and 1099	28	
65	2007 estimated tax payments and amount applied from 2006 return		
66a	Earned income credit (EIC)		
b	Nontaxable combat pay election ▶ 66b		
67	Excess social security and tier 1 RRTA tax withheld (see page 59)		
68	Additional child tax credit. Attach Form 8812		
69	Amount paid with request for extension to file (see page 59)	1,900,000	
70	Payments from: a [ ] Form 2439 b [ ] Form 4136 c [ ] Form 8885		
71	Refundable credit for prior year minimum tax from Form 8801, line 27		
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments ▶		1,90[illegible],028

If you have a qualifying child, attach Schedule EIC.

Refund

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	67[illegible],231
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ▶ [ ]	63[illegible],577
▶ b	Routing number 021000018 ▶ c Type: [X] Checking [ ] Savings	
▶ d	Account number 1200202690	
75	Amount of line 73 you want applied to your 2008 estimated tax ▶ 75	

Direct deposit? See page 59 and fill in 74b, 74c, and 74d, or Form 8888

Amount You Owe

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60 ▶		
77	Estimated tax penalty (see page 61)	39,654	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? [X] Yes. Complete the following. [ ] No

Designee's name ▶ Preparer — Phone no. ▶ — Personal identification number (PIN) ▶

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature — Date — Your occupation: SECURITIES BROKER — Daytime phone number: [redacted]

Spouse's signature. If a joint return, both must sign. — Date — Spouse's occupation: NONE

Joint return? See page 13. Keep a copy for your records.

Paid Preparer's Use Only

Preparer's signature ▶ David G. Friehling — Date 10/29/08 — Check if self-employed [ ] — Preparer's SSN or PTIN P00630[illegible]30

Firm's name (or yours if self-employed), address, and ZIP code ▶ Friehling & Horowitz, CPA's P.C., 337 N Main St, New City NY 10956 — EIN — Phone no. 845-639-05[illegible]1

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SCHEDULES A&B (Form 1040) Department of the Treasury Internal Revenue Service

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See instructions for Schedules A&B (Form 1040).

OMB No. 1545-0074 2007 Attachment Sequence No. 07

Name(s) shown on Form 1040: BERNARD L. & RUTH MADOFF

Your social security number: 069-30-9552

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1 Medical and dental expenses (see page A-1)	1			
	2 Enter amount from Form 1040, line 38 [2]				
	3 Multiply line 2 by 7.5% (.075)	3			
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	
Taxes You Paid (See page A-2.)	5 State and local (check only one box): a [X] Income taxes, or b [ ] General sales taxes	5	1,516,019		
	6 Real estate taxes (see page A-5)	6	156,504		
	7 Personal property taxes	7			
	8 Other taxes. List type and amount ▶	8			
	9 Add lines 5 through 8			9	1,672,523
Interest You Paid (See page A-5.)	10 Home mortgage interest and points reported to you on Form 1098	10	1,989		
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	11			
Note. Personal interest is not deductible.	12 Points not reported to you on Form 1098. See page A-6 for special rules	12			
	13 Qualified mortgage insurance premiums (See page A-7)	13			
	14 Investment interest. Attach Form 4952 if required. (See page A-7.)	14	12,202		
	15 Add lines 10 through 14			15	14,191
Gifts to Charity If you made a gift and got a benefit for it, see page A-8.	16 Gifts by cash or check. If you made any gift of $250 or more, see page A-8	16	6,631,353		
	17 Other than by cash or check. If any gift of $250 or more, see page A-8. You must attach Form 8283 if over $500	17			
	18 Carryover from prior year	18			
	19 Add lines 16 through 18			19	6,631,353
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See page A-9.)			20	
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21			
	22 Tax preparation fees	22			
	23 Other expenses—investment, safe deposit box, etc. List type and amount ▶ Portfolio Inc Ded (K-1s)	23	43,188		
	24 Add lines 21 through 23	24	43,188		
	25 Enter amount from Form 1040, line 38 [25] 13,262,706				
	26 Multiply line 25 by 2% (.02)	26	265,254		
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			27	0
Other Miscellaneous Deductions	28 Other—from list on page A-10. List type and amount ▶			28	
Total Itemized Deductions	29 Is Form 1040, line 38, over $156,400 (over $78,200 if married filing separately)? * [ ] No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. [X] Yes. Your deduction may be limited. See page A-10 for the amount to enter.			29	8,051,941
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ [ ]				

For Paperwork Reduction Act Notice, see Form 1040 instructions. * Limited by AGI Schedule A (Form 1040) 2007
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069-30-9552

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Federal Statements

Schedule A, Line 5 - State and Local Taxes

Description	Amount
2006 NJ extension payment	$ 15,000
2006 NY extension payment	1,200,000
State Tax Payments	145,409
City Tax Payments	230,000
'06 NJ income tax refund	-5,177
'06 NY income tax refund	-69,213
Total Income Taxes*	1,516,019
General Sales Tax	1,092
Total Sales Taxes	1,092

*Income taxes are being deducted

Schedule A, Line 6 - Real Estate Taxes

Description	Amount
NYC COOP	$ 21,538
PALM BEACH HOME	119,788
MONTAUK HOUSE	15,178
Total	$ 156,504

Schedule A, Line 16 - Charitable Contributions by Cash or Check

Description	Amount
2005 CARRYOVER CONTRIBUTIONS	$ 5,712,834
BLM	5,415,535
BLM FOUNDATION	119,040
VARIOUS CHAR ORG	389,713
BLM INV SEC SCH C	796,837
MARK MADOFF FOUNDATION	2,000,000
50% Cash contrib from K-1s	607
Disallowed Cash Contribution	-7,803,213
Total	$ 6,631,353

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Schedules A&B (Form 1040) 2007 OMB No. 1545-0074 Page 2

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side. | Your social security number
BERNARD L. & RUTH MADOFF | 069-30-9552

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

			Amount
1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶	1	
	See Statement 1		3,679,311
2	Add the amounts on line 1	2	3,67[illegible],311
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶	4	3,67[illegible],311

Note. If line 4 is over $1,500, you must complete Part III.

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

Line	Name of payer			Amount
5	List name of payer ▶		5	
	BERNARD L. MADOFF			5[illegible],032
	LEHMAN BROTHERS			[illegible],486
	MERCK			15
	PFIZER			16
	MICROSOFT			9
	MERCK			15
	SKYLINE			288
	BANK OF AMERICA			[illegible],042
	EDWARD BLUMENFELD ET AL	11-3186901		[illegible],783
	LAGUARDIA CORP CENTER ASSOC LLC	11-2774627		[illegible],499
	COHMAD SECURITIES CORP.	13-3257661		25
	4TH & FORTY, LLC	11-3594078		136
	US SBA RECEIVER FOR STERLING/CARL M	11-2909776		5[illegible],575
	WDI LLC	11-3555258		146
6	Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶		6	12[illegible],067

Note. If line 6 is over $1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you (a) had over $1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

		Yes	No
7a	At any time during 2007, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1	X	
b	If "Yes," enter the name of the foreign country ▶ UNITED KINGDOM		
8	During 2007, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2		X

For Paperwork Reduction Act Notice, see Form 1040 instructions. Schedule B (Form 1040) 2007

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Federal Statements

Statement 1 - Schedule B, Line 1 - Interest Income

Description		Amount
BEAR STERNS		$ 18,237
PITNEY BOWES		119
MADOFF LONDON		3,481,894
DUHL & MAYER ET AL	13-6138493	246
EDWARD BLUMENFELD ET AL	11-3186901	5,019
STERLING AMERICAN PROPERTY V LP	20-4527031	6,306
FINARD GERMANTOWN, LLC	20-4430264	81
STERLING AMERICAN PROPERTY III L.P.	52-2158467	23,233
STERLING AMERICAN PROPERTY IV, LP	11-3634613	10,351
DELTA FUND I, L.P.	98-0220262	8,320
NEW JERSEY MR IMAGING, LP	22-3341151	2,611
DELIVERY CONCEPTS LLC	13-3806762	11
MADOFF TECHNOLOGIES, LLC	13-4031422	10,199
MADOFF BROKERAGE & TRADING TECH LLC	13-4154726	2,511
REALTY ASSOCIATES MADOFF II	11-3347854	58,660
LAGUARDIA CORP CENTER ASSOC LLC	11-2774627	918
COHMAD SECURITIES CORP.	13-3257661	15,242
4TH & FORTY, LLC	11-3594078	46
HOBOKEN RADIOLOGY LLC	90-0139595	4,021
US SBA RECEIVER FOR STERLING/CARL M	11-2909776	31,236
WDI LLC	11-3555258	50
Total		$ 3,679,311

MAD9552 10/29/2008 10:48 AM

Schedule E (Form 1040) 2007 — Attachment Sequence No. 13 — Page 2

Name(s) shown on return. Do not enter name and social security number if shown on other side. — Your social security number

BERNARD L. & RUTH MADOFF — 069-30-9552

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☒ Yes ☐ No
If you answered "Yes," see page E-6 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	See Statement 2				
B					
C					
D					

	Passive Income and Loss		Nonpassive Income and Loss		
	(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A					
B					
C					
D					
29a Totals		153,579			
b Totals	1,336,081				

30 Add columns (g) and (j) of line 29a — 30 — 153,579

31 Add columns (f), (h), and (i) of line 29b — 31 — (1,336,081)

32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below — 32 — -1,182,502

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		

	Passive Income and Loss		Nonpassive Income and Loss	
	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
34a Totals				
b Totals				

35 Add columns (d) and (f) of line 34a — 35

36 Add columns (c) and (e) of line 34b — 36 — ( )

37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below — 37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)-Residual Holder

38 (a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-7)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b

39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below — 39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below — 40

41 Total income or (loss). Combine lines 26, 32, 37, 39, & 40. Enter the result here & on Form 1040, line 17, or Form 1040NR, line 18 ▶ — 41 — -1,18[illegible],502

42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code T; and Schedule K-1 (Form 1041), line 14, code F (see page E-7) — 42

43 Reconciliation for real estate professionals. If you were a real estate professional (see page E-2), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules — 43

DAA — Schedule E (Form 1040) 2007

MAD9552 MADOFF, BERNARD L. & RUTH 10/29/2008 10:47 AM
069-30-9552

Federal Statements

Statement 2 - Schedule E, Page 2, Line 28

P S	For Ptr	Name / EIN	Not at Risk	Passive Loss	Passive Income	Nonpass Loss	Sec 179 Deduct	Nonpass Income
		DUHL & MAYER ET AL						
P		13-6138493	$	$	4,104	$	$	$
		EDWARD BLUMENFELD ET AL						
P		11-3186901						
		STERLING AMERICAN PROPERTY V LP						
P		20-4527031		293,277				
		STERLING AMERICAN PROPERTY V LP PYA						
P		20-4527031		17,152				
		FINARD GERMANTOWN, LLC						
P		20-4430264			4,259			
		FINARD GERMANTOWN, LLC PYA						
P		20-4430264		2,442				
		STERLING AMERICAN PROPERTY III L.P.						
P		52-2158467		168,292				
		STERLING AMERICAN PROPERTY III L.P. PYA						
P		52-2158467		45,291				
		STERLING AMERICAN PROPERTY IV, LP						
P		11-3634613		467,635				
		STERLING AMERICAN PROPERTY IV, LP PYA						
P		11-3634613		136,348				
		DELTA FUND I, L.P.						
P	X	98-0220262						
		NEW JERSEY MR IMAGING, LP						
P		22-3341151		976				
		DELIVERY CONCEPTS LLC						
P		13-3806762						
		DELIVERY CONCEPTS LLC PYA						
P		13-3806762		21				
		MADOFF TECHNOLOGIES, LLC						
P		13-4031422		86,318	1,207			
		MADOFF TECHNOLOGIES, LLC PYA						
P		13-4031422		29,891				
		MADOFF BROKERAGE & TRADING TECH LLC						
P		13-4154726		36,919	297			
		MADOFF BROKERAGE & TRADING TECH LLC PYA						
P		13-4154726		10,642				
		STERLING ACQUISITONS LLC						
P		11-3480270		2,576				
		STERLING ACQUISITONS LLC PYA						
P		11-3480270		89				
		REALTY ASSOCIATES MADOFF II						
P		11-3347854		218	38,928			
		LAGUARDIA CORP CENTER ASSOC LLC						
P		11-2774627			15,168			
		PJ CLARKS ON THE HUDSON LLC						
P		76-0774474		2,314	5,472			
		THE CLARKS GROUP LLC						
P		13-4181639		1,551	23,584			
		COHMAD SECURITIES CORP.						
S		13-3257661		3,881				
		4TH & FORTY, LLC						
P		11-3594078			9,043			

MAD9552 MADOFF, BERNARD L. & RUTH
069-30-9552

10/29/2008 10:47 AM

Federal Statements

Statement 2 - Schedule E, Page 2, Line 28 (continued)

Name / P S	For Ptr	EIN	Not at Risk	Passive Loss	Passive Income	Nonpass Loss	Sec 179 Deduct	Nonpass Income
HOBOKEN RADIOLOGY LLC P		90-0139595		$ 7,078	$	$	$	$
HOBOKEN RADIOLOGY LLC P		90-0139595		1,858	PYA			
BACAR, L.P. P		94-3337120		5				
US SBA RECEIVER FOR STERLING/CARL M S		11-2909776			41,829			
US SBA RECEIVER FOR STERLING/CARL M S		11-2909776		16,830	PYA			
WDI LLC P		11-3555258			9,688			
VIAGER II LLC P		74-3202390		4,477				
Total				$1,336,081	$ 153,579	$ 0	$ 0	$ 0

MAD9552 10/29/2008 10:48 AM

Form **6251** Department of the Treasury Internal Revenue Service (99)

Alternative Minimum Tax—Individuals

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 154 -0074 **2007** Attachment Sequence No. 32

Name(s) shown on Form 1040 or Form 1040NR: RNARD L. & RUTH MADOFF

Your social security number: 069-30-9552

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41, and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	5,206,765
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	1,672,523
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions	4	0
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If Form 1040, line 38, is over $156,400 (over $78,200 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet on page A-10 of the instructions for Schedule A (Form 1040)	6	(262,126)
7	Tax refund from Form 1040, line 10 or line 21	7	( )
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Interest from specified private activity bonds exempt from the regular tax	11	
12	Qualified small business stock (7% of gain excluded under section 1202)	12	
13	Exercise of incentive stock options (excess of AMT income over regular tax income)	13	
14	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	14	
15	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	15	
16	Disposition of property (difference between AMT and regular tax gain or loss)	16	-73,872
17	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	17	-20,812
18	Passive activities (difference between AMT and regular tax income or loss)	18	7,846
19	Loss limitations (difference between AMT and regular tax income or loss)	19	0
20	Circulation costs (difference between regular tax and AMT)	20	
21	Long-term contracts (difference between AMT and regular tax income)	21	
22	Mining costs (difference between regular tax and AMT)	22	
23	Research and experimental costs (difference between regular tax and AMT)	23	
24	Income from certain installment sales before January 1, 1987	24	( )
25	Intangible drilling costs preference	25	
26	Other adjustments, including income-based related adjustments	26	
27	Alternative tax net operating loss deduction	27	( )
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than $207,500, see page 7 of the instructions.)	28	6,53(324

Part II Alternative Minimum Tax

29 Exemption. (If this form is for a child under age 18, see page 7 of the instructions.)

IF your filing status is . . .	AND line 28 is not over...	THEN enter on line 29...
Single or head of household	$112,500	$44,350
Married filing jointly or qualifying widow(er)	150,000	66,250
Married filing separately	75,000	33,125

If line 28 is over the amount shown above for your filing status, see page 7 of the instructions. — 29

30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 33 and 35 and skip the rest of Part II	30	6,53(324
31	• If you are filing Form 2555 or 2555-EZ, see page 8 of the instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 55 here. • All others: If line 30 is $175,000 or less ($87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately) from the result.	31	1,77(024
32	Alternative minimum tax foreign tax credit (see page 8 of the instructions)	32	81[illegible] 659
33	Tentative minimum tax. Subtract line 32 from line 31	33	95[illegible] 365
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 51). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see page 9 of the instructions)	34	85[illegible] 223
35	Alternative minimum tax. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	9[illegible] 142

For Paperwork Reduction Act Notice, see page 10 of the instructions.

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MAD9552 10/29/2008 10:48 AM BERNARD L. & RUTH MADOFF 069-30-9552

Form 6251 (2007) Page 2

Part III Tax Computation Using Maximum Capital Gains Rates

36	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet on page 8 of the instructions		6,530,324
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see page 9 of the instructions). If you are filing Form 2555 or 2555-EZ, see page 10 of the instructions for the amount to enter	262,374	
38	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see page 9 of the instructions). If you are filing Form 2555 or 2555-EZ, see page 10 of the instructions for the amount to enter	495,290	
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see page 10 of the instructions for the amount to enter	757,664	
40	Enter the smaller of line 36 or line 39		757,664
41	Subtract line 40 from line 36		5,772,660
42	If line 41 is $175,000 or less ($87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately) from the result ▶		1,612,845
43	Enter: • $63,700 if married filing jointly or qualifying widow(er), • $31,850 if single or married filing separately, or • $42,650 if head of household.	63,700	
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	4,868,253	
45	Subtract line 44 from line 43. If zero or less, enter -0-	0	
46	Enter the smaller of line 36 or line 37	262,374	
47	Enter the smaller of line 45 or line 46		
48	Multiply line 47 by 5% (.05) ▶		
49	Subtract line 47 from line 46	262,374	
50	Multiply line 49 by 15% (.15) ▶		3[illegible],356
	If line 38 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.		
51	Subtract line 46 from line 40	495,290	
52	Multiply line 51 by 25% (.25) ▶		12[illegible],823
53	Add lines 42, 48, 50, and 52		1,77[illegible],024
54	If line 36 is $175,000 or less ($87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately) from the result		1,82[illegible],991
55	Enter the smaller of line 53 or line 54 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet on page 8 of the instructions		1,77[illegible],024

MAD9552 MADOFF, BERNARD L. & RUTH 10/29/2008 10:47 AM
069-30-9552

Federal Statements

Form 1040, Line 8b - Tax-exempt Interest

Payer	Amount
FIDELITY	$ 101
BEAR STERNS	2,566,327
Total	$ 2,566,428

Form 1040, Dividend Income

Payer	Ordinary Dividends	Qualified Dividends
EDWARD BLUMENFELD ET AL	$ 3,783	$
LAGUARDIA CORP CENTER ASSOC LLC	2,499	
COHMAD SECURITIES CORP.	25	
4TH & FORTY, LLC	136	
US SBA RECEIVER FOR STERLING/CARL M	52,575	52,575
WDI LLC	146	
BERNARD L. MADOFF	56,032	
LEHMAN BROTHERS	2,486	
MERCK	15	15
PFIZER	16	16
MICROSOFT	9	9
MERCK	15	15
SKYLINE	288	288
BANK OF AMERICA	2,042	2,042
Total	$ 120,067	$ 54,960

MAD9552 MADOFF, BERNARD L. & RUTH
069-30-9552

10/29/2008 10:47 [illegible]M

Federal Statements

Form 6251, Line 17 - Post-1986 Depreciation Adjustment

Nonpassive Activity type		Amount
Depreciation adjustment report	$	-20,812
Total	$	-20,812

Form 6251, Line 18 - Passive Activities

Description	Form/ Sch	AMT Inc/Loss	Regular Inc/Loss	Differer[illegible]s Line 1[illegible]
DUHL & MAYER ET AL	Sch E2	$ 4,104	$ 4,104	$
STERLING AMERICAN PROPERTY V LP	Sch E2	-297,767	-310,429	12,[illegible]62
FINARD GERMANTOWN, LLC	Sch E2	1,597	1,817	-[illegible]20
STERLING AMERICAN PROPERTY III L.P.	Sch E2	-229,681	-213,583	-16,[illegible]98
STERLING AMERICAN PROPERTY IV, LP	Sch E2	-592,806	-603,983	11,[illegible]77
NEW JERSEY MR IMAGING, LP	Sch E2	-976	-976	
DELIVERY CONCEPTS LLC	Sch E2	-22	-21	-1
MADOFF TECHNOLOGIES, LLC	Sch E2	-117,542	-115,002	-2,[illegible]40
MADOFF BROKERAGE & TRADING TECH LLC	Sch E2	-48,192	-47,264	-[illegible]28
STERLING ACQUISITONS LLC	Sch E2	-2,673	-2,665	-8
REALTY ASSOCIATES MADOFF II	Sch E2	38,417	38,710	-[illegible]93
LAGUARDIA CORP CENTER ASSOC LLC	Sch E2	15,168	15,168	
PJ CLARKS ON THE HUDSON LLC	Sch E2	3,448	3,158	[illegible]90
THE CLARKS GROUP LLC	Sch E2	22,038	22,033	5
COHMAD SECURITIES CORP.	Sch E2	-4,147	-3,881	-[illegible]66
4TH & FORTY, LLC	Sch E2	9,043	9,043	
[illegible]OBOKEN RADIOLOGY LLC	Sch E2	-7,771	-8,936	1 [illegible]65
[illegible]ACAR, L.P.	Sch E2	-5	-5	
US SBA RECEIVER FOR STERLING/CARL M	Sch E2	27,900	24,999	2 [illegible]01
WDI LLC	Sch E2	9,688	9,688	
VIAGER II LLC	Sch E2	-4,477	-4,477	
Total		$-1,174,656	$-1,182,502	$ 7 [illegible]46